## IN THE CLAIMS:

Please cancel claims 2, 3, 5, 11, 12 and 14, amend claims 1, 8, 10, 15 and 17, and add claims 19-41, in accordance with the following listing showing the status of all claims in the application.

1. (Currently Amended) A method for predicting whether an on-line shopper is will be converted into becoming a purchaser of an item based on sales promotions offered by an on-line vendor, comprising the steps of:

storing customer profile information corresponding to a plurality of on-line shoppers; storing customer web log information corresponding to the plurality of on-line shoppers;

storing product information promotion attributes corresponding to a plurality of products offered for sale by the on-line vendor sales promotions that have been offered;

storing promotion attributes corresponding to the plurality of products;

web log information and the promotion attributes into a model for simulating shopping behavior as a function of the customer profile information, customer log information, product information, and the promotion attributes; and

generating a percentage chance that the customer purchases a particular item based on the model;

displaying the percentage chance

using the model to target delivery of future sales promotions.

Serial No. 09/852,611

- 2. (Canceled)
- 3. (Canceled)
- 4. (Original) The method of Claim 1, wherein the model comprises a logistic regression model.
  - 5. (Canceled)
- 6. (Original) The method of Claim 4, wherein the model is partially based on traditional logistical regression theory and partially on the maximum utility theory.
- 7. (Original) The method of Claim 1, wherein customer profile information includes age, sex, religion, income, ethnicity, marital status, geographical location, number of children, interests, hobbies, spending habits, and zip code.
- 8. (Currently Amended) The method of Claim 1, wherein the customer web log information includes contains data regarding when the <u>a</u> customer accessed the <u>a</u> web site, how long the customer visited the web site, which items were of interest, how the customer heard about the web site, whether the customer saw the <u>a</u> promotion, whether the customer was motivated to taking action as a result of the promotion, whether the customer inspected

0860117.DOC -3- 39482-24

an item, whether the customer put the item back, whether the customer bought an the item, and the a quantity of items purchased.

- 9. (Original) The method of Claim 1, wherein the promotion attributes include one of sales, upgrades, extended warranties, buy-one-get-one free, financing packages, free options, rebates, coupons, donations to charities, and free gifts.
- 10. (Currently Amended) A computer-readable medium having stored thereon instructions for predicting whether an on-line shopper is will be converted into becoming a purchaser of an item based on sales promotions offered by an on-line vendor, the instructions comprising the steps of:

storing customer profile information corresponding to a plurality of on-line shoppers; storing customer web log information corresponding to the plurality of on-line shoppers;

storing product information promotion attributes corresponding to a plurality of products offered for sale by the on-line vendor sales promotions that have been offered;

storing promotion attributes corresponding to the plurality of products;

web log information and the promotion attributes into a model for simulating shopping behavior as a function of the customer profile information, customer log information, product information, and the promotion attributes; and

Serial No. 09/852,611

generating a percentage chance that the customer purchases a particular item based on the model;

displaying the percentage chance

using the model to target delivery of future sales promotions.

- 11. (Canceled)
- 12. (Canceled)
- 13. (Original) The computer-readable medium of Claim 10, wherein the model comprises a logistic regression model.
  - 14. (Canceled)
- 15. (Currently Amended) The computer-readable medium of Claim 14, 13, wherein the model is partially based on traditional logistical regression theory and partially on the maximum utility theory.
- 16. (Original) The computer-readable medium of Claim 10, wherein customer profile information includes age, sex, religion, income, ethnicity, marital status, geographical location, number of children, interests, hobbies, spending habits, and zip code.

0860117.DOC -5- 39482-24

- 17. (Currently Amended) The computer-readable medium of Claim 10, wherein the customer web log information includes contains data regarding when the a customer accessed the a web site, how long the customer visited the web site, which items were of interest, how the customer heard about the web site, whether the customer saw the a promotion, whether the customer was motivated to taking action as a result of the promotion, whether the customer inspected an item, whether the customer put the item back, whether the customer bought an the item, and the a quantity of items purchased.
- 18. (Original) The computer-readable medium of Claim 10, wherein the promotion attributes include one of sales, upgrades, extended warranties, buy-one-get-one free, financing packages, free options, rebates, coupons, donations to charities, and free gifts.
- 19. (New) A method according to Claim 1, further comprising a step of using the model to tailor sales promotions to individual shoppers.
- 20. (New) A method according to Claim 19, wherein sales promotions automatically are customized to a shopper based on customer profile information for said shopper.
- 21. (New) A method according to Claim 1, further comprising steps of storing product information corresponding to a plurality of products offered for sale by the on-line

0860117.DOC -6- 39482-24

vendor and inputting the product information into the model, and wherein the shopping behavior also is simulated as a function of the product information.

- 22. (New) A method according to Claim 1, further comprising a step of using the model to compute a percentage likelihood that a shopper will be converted into becoming a purchaser.
- 23. (New) A method according to Claim 1, further comprising a step of using the model to simulate a conversion of a shopper into a purchaser.
- 24. (New) A method according to Claim 1, further comprising steps of using a simulator based on the model, varying promotion attributes input into the simulator, and then observing results generated by the simulator.
- 25. (New) A method according to Claim 1, further comprising a step of continuously updating and improving the model based on new information.
- 26. (New) A method according to Claim 1, further comprising a step of using an optimization engine to generate statistically driven sales promotion plans that have been optimized with respect to at least one objective function.

Serial No. 09/852,611

- 27. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise a step of using the model to tailor sales promotions to individual shoppers.
- 28. (New) The computer-readable medium of Claim 27, wherein sales promotions automatically are customized to a shopper based on customer profile information for said shopper.
- 29. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise steps of storing product information corresponding to a plurality of products offered for sale by the on-line vendor and inputting the product information into the model, and wherein the shopping behavior also is simulated as a function of the product information.
- 30. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise a step of using the model to compute a percentage likelihood that a shopper will be converted into becoming a purchaser.
- 31. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise a step of using the model to simulate a conversion of a shopper into a purchaser.

- 32. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise steps of using a simulator based on the model, varying promotion attributes input into the simulator, and then observing results generated by the simulator.
- 33. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise a step of continuously updating and improving the model based on new information.
- 34. (New) The computer-readable medium of Claim 10, wherein the instructions further comprise a step of using an optimization engine to generate statistically driven sales promotion plans that have been optimized with respect to at least one objective function.
- 35. (New) A method for predicting what types of on-line shoppers will make purchases based on offered sales promotions, comprising:

obtaining profile information for a plurality of shoppers;

obtaining a set of promotion attributes pertaining to sales promotions that were displayed to the shoppers;

obtaining behavioral information regarding on-line shopping behaviors of the shoppers, including the on-line shopping behaviors during times that the sales promotions were displayed;

based on the behavioral information, using a mathematical model to relate the promotion attributes to the profile information in order to estimate effectiveness of a particular sales promotion with respect to at least one specified shopper.

- 36. (New) A method according to Claim 35, further comprising a step of using the mathematical model to target delivery of future sales promotions.
- 37. (New) A method according to Claim 35, further comprising a step of using the mathematical model to tailor sales promotions to individual shoppers.
- 38. (New) A method according to Claim 37, wherein sales promotions automatically are customized to a shopper based on customer profile information for said shopper.
- 39. (New) A method according to Claim 35, further comprising steps of using a simulator based on the mathematical model, varying promotion attributes input into the simulator, and then observing results generated by the simulator.
- 40. (New) A method according to Claim 35, further comprising a step of continuously updating and improving the mathematical model based on new information.
- 41. (New) A method according to Claim 35, further comprising a step of using an optimization engine to generate statistically driven promotion plans that have been optimized with respect to at least one objective function.

0860117.DOC . -10- 39482-24